

# News Release

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## S&P Global Egypt PMI®

### Sales rise at non-oil companies for second month running

#### Key findings

Stronger market conditions lead to sustained rise in demand

Output levels unchanged after boost in January

Purchases rise solidly, but staffing falls

The health of Egypt's non-oil private sector continued to improve in February, building on the upward trend observed at the beginning of 2025. Firms signalled an ongoing recovery in client demand, marking the first back-to-back improvement in business conditions in over four years. The increase in order book volumes led to a solid rise in purchasing among non-oil businesses, although output remained stable and job numbers declined.

The sector's recovery was further supported by another month of muted price pressures, with inflation of average cost burdens rising from January but remaining historically mild. Output prices were increased only modestly.

The headline seasonally adjusted S&P Global Egypt Purchasing Managers' Index™ (PMI®) is a composite gauge designed to give a single-figure snapshot of operating conditions in the non-oil private sector economy. It is calculated from measures of new orders, output, employment, supplier delivery times and stocks of purchases.

The headline index declined from a 50-month high of 50.7 in January to 50.1 in February. Nevertheless, with the index registering slightly above the 50.0 neutral threshold, it signalled a continued improvement in the health of the Egyptian non-oil private sector. This marked the first occurrence since late 2020 of successive months of progress recorded in the survey data.

A recovery of market conditions and client demand continued to play a major part in the return to new order growth, according to monitored businesses. Volumes of new work rose for a second month running, after increasing only once in the prior 40 months of data collection. However, the rate of expansion slowed from January and remained modest, with a decline in manufacturing orders acting as a mild drag on overall performance.

Higher demand prompted firms to increase their purchases

S&P Global Egypt PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 10-20 February 2025.

#### Comment

David Owen, Senior Economist at S&P Global Market Intelligence, said:

"The Egypt PMI remained above the neutral 50.0 threshold in February, further confirming that the non-oil economy has started 2025 in better health. Coupled with January's upturn, the data reflects the best opening two months of the year in the survey's history.

"Stronger customer spending seems to have revitalized markets, driving higher sales volumes and supporting improved operating conditions. This positive momentum has led to increased spending among firms. Additionally, price pressures are relatively low compared to those experienced in 2024, indicating that inflation is likely to continue its downward trend, in the near-term at least.

"On the other hand, the employment market remains mixed at best, and the manufacturing sector is struggling to secure new orders. Economic and geopolitical risks continue to loom large, contributing to another month of subdued expectations for the year ahead."

PMI®

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for the third consecutive month, with the latest upturn representing the sharpest increase recorded in three-and-a-half years. Businesses emphasized their efforts to secure new inputs as market conditions strengthened. However, they faced challenges in retaining staff and hiring new workers, resulting in an overall decrease in employment for the third time in four months.

Business activity was kept at a stable level over the course of February, after showing a modest expansion at the start of the year. There was also no change in outstanding work volumes, alongside a marginal reduction in inventories.

Input cost pressures across the non-oil sector remained relatively soft compared to the trends observed in 2024. While there were some reports of higher material prices driven by a strong US dollar, resulting in a slight acceleration in purchase price inflation, this was partly offset by a decrease in staff costs. Cost pressures were more pronounced among manufacturing and construction firms compared to other segments.

Similarly, selling charges increased gradually in February, as companies opted to limit the pass-through of higher cost burdens to clients. The rate of charge inflation picked up from its four-and-a-half-year low recorded in January but was still below its long-run average.

Despite rising demand, firms remained cautious about the economic outlook. Expectations regarding business activity over the next 12 months slipped to their lowest since last November, with just 5% of firms showing positivity towards future output trends.

### PMI Output Charges Index

sa, >50 = inflation since previous month



Source: S&P Global PMI.

### Contact

David Owen  
Senior Economist  
S&P Global Market Intelligence  
T: +44 1491 461 002  
[david.owen@spglobal.com](mailto:david.owen@spglobal.com)

Kriti Khurana  
Corporate Communications  
S&P Global Market Intelligence  
T: +91-971-101-7186  
[kritikhurana@spglobal.com](mailto:kritikhurana@spglobal.com)

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### Survey methodology

The S&P Global Egypt PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services. Data were first collected April 2011.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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